## **Electronically Recorded**

## **Tarrant County Texas**

Official Public Records

2/25/2011 2:03 PM

D211046015

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE ANATURATOPERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

## PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 8th day of January, 2011, by and between Rafaet and ElviraTapin whose address is, 2713 Plaza St., Arlington, TX., as Lessor, and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained. Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

SURVEY: T. HOLLAND

LOT 7, IN BLOCK 8, WESTERN PLAINS ESTATES, FIRST INSTALLMENT TO THE CITY OF ARLINGTON, TARRANT COUNTY, TEXAS, ACCORDING TO THE PLAT RECORDED IN VOLUME 388-6, PAGE 192, PLAT RECORDS, TEXAS.

in the County of TARRANT. State of TX, containing 0.165747 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes belium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct. whether actually more or tess.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of [3] years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions
- substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

  3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's seption to feed that Lessee's redit at the oil purchaser's transportation modifies, provided that Lessee's shall have the continuing right to purchases such production at the veilloand marker price them prevailing in the same field, than at the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other excise tures and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, overail hereby, the royalty shall be 25% of the proceeds realized by Lessee from the sale thereby in so such price them prevailing in the same shall be 25% of the proceeds realized by Lessee (in the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhand marker price paid for production of similar quality in the same field (or if there is no such price them prevailing in the same field that the production therefore is not being sold by Lessee, such well or wells that in a prevailing price) purchases sheraunder, and (c) if at the ond of the primary term or any time thereafter one or more wells on the lessed premises or lands production therefore is not being sold by Lessee, such well or wells and the production therefore is not being sold by Lessee, then Lessee she hall pay subtice industrial, but such well or wells are sentenced to be production in the production in being sold by Lessee, then Lessee she hall per vertice to reproduct on the removal to production in
- being maintained in roce our Lesses is used engages in tuning, the content of the production of a well capable of producing in paying quantities hereunder. Lesses shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities between the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as
- promises from uncompensared drainage by any well or wells located on other lands not pooled therewith. There shall be no overnant to drull exploratory wells or any additional wells except as expressly provided herein.

  6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this leases, either before or after the commencement of production, whenever Lessee there is it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling endorthy exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, and for a gas well or a fortizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, and for a gas well or a fortizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, and for any well spacing or density pattern that may be presented or permitted by any governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet for the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet or nece per barrel, based on 24-hour production est conducted under normal producing conditions using standard lease separator feelilities or equivalent testing engineers, and the term "horizontal competition" means a well in which the horizontal component of the gross completion interval in the reservoir consects the vertical component thereof. In exercising its pooling rights loreaunical completions are payable to a pr
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties berounder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's concerting shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in convership shall be binding on Lessee until 60 days after Lessee has been farmished the original or certified or duly authoriticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder. Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository either jointly or separately in proportion to the interest which each owns. If Lessee may pay or tender such shut-in royalties to such shut-in royalties hereunder dispations thereafter arising with respect to the transferred increat, and failure of the transferre to satisfy such obligations with respect to the transferred interest, shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to the each of this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with r

undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest

undertoed interest in sess than all or the area covered nereby, Lessee's obligation to pay or render shift-in royames shall be preportionately reduced in accordance with the net acreage interest retained bereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized berewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, and the read of contract partial remainstances or lands pooled therewith, the another injection wells, injection wells, injection wells, and partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or bereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any bouse or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor of continuation of this leas

delay, and at Lessee's option, the period of such prevention or delay shall be added to the term nerion. Lessee shall not be made to receive a delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer of the price and according to the terms and conditions specified in the offer.

the other. Lesses, for a period of titreen days after recopy of the horice, shall have the prior and preferred right and opinion to purchase the lease of part interest interest, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lesse shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to

- determination that a breach or default has occurred, this lease shall not be fortested or canceled in whole or in part unless Lessee is given a reasonance time and sense fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual substurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessoe hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the courtary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lessor is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without dures or under influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the torms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, rs, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor

ACKNOWLEDGMENT

BEFORE ME, the undersigned authority, on the day of day of 2011 personally appeared Rafael and Elvira Tapia, kno to me to be the person(s) whose name(s) is (are) subscribed to the forgoing instrument, and acknowledged to me that he/she/they executed the same for the purposes and consideration their expressed, in the capacity therein stated, and as the act and deed of said day of Univery 2011 personally appeared Rafael and Elvira Tapia, known Rafael and ElviraTapia.

[SEAL]

CHRISTOPHER CHARLES FIELDS MINERY JOLO State of Tenjan 特別 韓金 輔政 權

Notary Public State of Notary's name (printed):

Notary's commission expires:

2